

Dealers

Selling New Motor Vehicles

Requirements

Dealers selling new motor vehicles must be franchised with the manufacturer to sell each particular make of new motor vehicle. The dealer must submit a copy of the franchise agreement(s) with the dealer's application for registration as a motor vehicle dealer. If the dealer enters into additional franchise agreement(s) during the year, copies of the agreement(s) must be immediately filed with the Driver and Vehicle Services Bureau, P. O. Box 43, Jefferson City, Missouri 65105.

Manufacturers of motor vehicles must issue franchise agreements to the dealers authorized to sell their makes of motor vehicles. The manufacturer must supply a Manufacturer's Statement of Origin for each vehicle/vehicle body manufactured. A dealer should contact the Federal Department of Transportation for questions regarding the assignment of vehicle identification numbers by calling (202) 366-5302 or by fax at (202) 493-0073.

Restrictions

When a dealer is listed as the purchaser on the Manufacturer's Statement of Origin for a vehicle he or she is not franchised to sell, the transaction is deemed a first sale of the vehicle. A non-franchised dealer cannot transfer ownership on the Manufacturer's Statement of Origin. In this situation, the dealer must apply for a Missouri title in the dealership's name and pay the appropriate title fee. The vehicle is then deemed a **used** vehicle. It is unlawful for any dealer to hold forth, offer for sale, advertise or sell such a motor vehicle as a **new** motor vehicle. This does not apply to new manufactured homes or trailers. The Driver and Vehicle Services Bureau performs a daily computer check to detect violations. Violations of Section 301.568, RSMo could result in the suspension of the dealer's license.

Dealers Required to Have Proof of Ownership

All dealers must have proof of ownership on all motor vehicles or trailers in their possession. Proof of ownership must be maintained at the licensed dealership location for inspection by appropriate law enforcement officials.

Proof of ownership may be in the form of:

1. A Manufacturer's Statement of Origin or certificate of title properly assigned to the dealer;

Duplicate Manufacturer's Statement of Origin

2. A descriptive bill of sale indicating the year, make, and identification number of the vehicle and the dealer as purchaser; or
3. An auto auction invoice/receipt indicating the year, make, and identification number of the vehicle and the dealer as purchaser.

Sometimes it is necessary for a dealership to apply for a duplicate Manufacturer's Statement of Origin. Some manufacturers do not issue a duplicate Manufacturer's Statement of Origin once the original has been assigned and delivered to a retail customer. Instead, the manufacturer furnishes a statement to the selling dealer certifying the vehicle was sold to the dealership.

The manufacturer's statement will be accepted in lieu of a duplicate Manufacturer's Statement of Origin. The selling dealer should complete a *Reassignment of Ownership by Registered Dealer* (DOR-2447A), Exhibit M, and attach it to the statement. These two documents will serve as proof of ownership and proper odometer disclosure for the title applicant.

Title in Dealership's Name When Original is Lost

Obtaining Title in Dealership's Name when a Customer Loses the Original Assigned Title

When a unit is purchased from a dealer and the purchaser loses the original assigned title, the department will allow the selling dealer to apply for an ***original*** title in the dealer's name. The dealer may apply for an original title since the dealer became the legal owner of the vehicle when it was assigned to the dealer even though the title was not issued in the dealer's name. As the last legal owner prior to the assignment to a customer, the dealer would normally be able to obtain a duplicate. However, since an original title was never issued in the dealer's name, a duplicate title **cannot** be issued in the dealer's name. The following documents and fees must be submitted to obtain an original dealer title:

1. An application for original title completed in the selling dealership's name;

Reassignment of Ownership by a Registered Dealer Forms (Riders)

2. A photocopy from the dealer of the front and back of the original title assigned to the dealer with a reassignment to the customer;
3. A notarized affidavit (the *General Affidavit* (DOR-768) may be used) signed by the new owner (customer) stating that the original title was lost;
4. The appropriate processing/agent fee; and
5. The appropriate title fee.

When the dealer receives and assigns the new original title in the dealership's name to the purchaser, the dealer must record the **original** sale date and provide the purchaser with a **copy of the front and back of the title** that was lost to explain why the purchase date is before the issue date of the new title. Title penalty fees would apply.

A rider (*Reassignment of Ownership by Registered Dealer*, (DOR-2447A, Exhibit J)) may be used by a registered Missouri motor vehicle dealer to make one reassignment of ownership of a motor vehicle or trailer in addition to the reassignments contained on the back of a Manufacturer's Statement of Origin or certificate of title when all existing reassignment spaces have been used.

Missouri Department of Revenue riders may only be used by a Missouri dealer. Riders may be used with a Missouri certificate of title, Manufacturer's Statement of Origin, or an out-of-state certificate of title. Only one rider may be used with each transaction. A MISSOURI DEALER MAY NOT ATTACH A RIDER TO A MISSOURI OR OUT-OF-STATE SALVAGE TITLE.

Riders are issued at no cost in books of 25. Riders may be obtained by calling (573) 751-4469, e-mail at dealerlic@mail.dor.state.mo.us, or by submitting a written request to Missouri Department of Revenue, Driver and Vehicle Services Bureau, Special Registration Desk, P.O. Box 43, Jefferson City, Missouri 65105-0043, indicating the following:

1. Dealership name;
2. Dealer license number; and
3. Quantity of books requested.

License Plates - 30-Day Transfer Allowed

Temporary Permits

Completing the Rider

All fields on the rider must be completed. In the purchaser(s) and seller(s) name blocks, **one** purchaser and **all** sellers **must physically hand print their names**. The dealer must legibly hand print or type the name of the dealership, agent's name and their position in the company when the dealer is the purchaser or seller. One purchaser and all sellers must also sign the form in the designated areas.

The buyer of a newly acquired motor vehicle or trailer may attach the license plates from his or her motor vehicle or trailer that is being sold or traded to the newly acquired motor vehicle or trailer. This transfer is legal for only 30 days. After that time, the buyer must legally transfer the plates and pay the \$2 transfer fee. The buyer may transfer the license plates only if the vehicle acquired is of the same vehicle category as the vehicle being replaced, i.e., passenger plates may not be displayed on a commercial motor vehicle.

Section 301.140, RSMo permits the department to issue temporary permits to vehicle purchasers. This permit authorizes a purchaser to operate a motor vehicle or an empty trailer for a period of 30 **days** from the date of purchase of the motor vehicle/trailer. Only individuals who have no registration plate(s) available for transfer may purchase the permits. If the applicant has a plate(s) to transfer, he or she must properly title and register the vehicle and cannot purchase temporary permits.

A dealer:

1. May not issue a temporary permit on a motor vehicle owned by the dealership for leasing/rental purposes;
2. May charge no more than \$7.50 for each permit issued; and
3. May transfer/sell any unissued temporary permits remaining in the dealer's inventory at the time the dealership is sold to the purchasing dealer. The seller must notify the Driver and Vehicle Services Bureau in writing of such fact, including the control number of each temporary permit that was transferred.

Documents/Fees Required to Obtain Temporary Permits

Licensed motor vehicle dealers may purchase temporary permits in books of ten permits from the Central Office in Jefferson City only. The dealer may purchase temporary permits in person at the Central Office. To order permits by mail, the dealer may send in a completed *Special Permits Application* (DOR-1275) or a written request on company letterhead. Mail requests to the Driver and Vehicle Services Bureau, P.O. Box 43, Jefferson City, Missouri, 65105. The dealer must include a check or money order in the amount of \$75 for each book.

NOTE: If a motor vehicle title service is submitting a request for temporary permits on behalf of a dealer, the Driver and Vehicle Services Bureau will not release the temporary permits without written authorization from an authorized employee of the dealership.

The Driver and Vehicle Services Bureau will use reasonable diligence to ensure the number of temporary permits requested by a dealer is proportional to the number of sales previously reported on the dealer's monthly sales reports.

For an applicant to purchase a temporary permit from the selling dealer, the following must be submitted to the dealer:

1. A vehicle safety inspection and emissions inspection certificate, if applicable, issued not more than 60 days before the sale of the permit. The dealer must record the complete motor vehicle inspection certificate number on the temporary permit record; and

NOTE: The safety or emissions inspections are not required for motor vehicles sold on a Manufacturer's Statement of Origin.

2. A \$7.50 permit fee.

What is the Buyer's Responsibility?

Temporary permits are not transferable or renewable. The temporary permit shall be displayed only on the vehicle for which it was issued. They are not valid upon the issuance of proper registration plates for the motor vehicle or trailer. The purchaser must sign the permit in ink.

Motor Vehicle Safety Inspection Requirements

What is the Dealer's Responsibility?

The dealer may sell ONLY one permit to a buyer of a vehicle for which no license plates are available for transfer. The dealer must record the following on the permit issued by the dealership: the dealer's number; the buyer's name and address; the year, make and vehicle identification number; and the dates of issuance and expiration.

When recording the expiration date on a temporary permit, record the expiration month using **the first three letters** of the month. For example, if a permit is to expire on September 1, 2004, record, "**SEP - 01- 04**".

Each book of permits provides a separate form in the front of the book to record the buyer's name, address, vehicle description and dates of issuance and expiration for each permit. The dealer must complete this form at the time the permit is issued. These records will be kept for inspection by the appropriate officers as defined in Section 301.564, RSMo. The dealer must also record the number of the temporary permits issued in the appropriate column on the dealers monthly sales report, except for temporary permits issued for courtesy delivery vehicles.

NOTE: If the permit is issued pursuant to a courtesy delivery arrangement, the dealer issuing the permit must record the words "COURTESY DELIVERY" on the corresponding permit and on the permit record within the permit booklet.

Section 307.350, RSMo allows for a two-year (biennial) safety inspection. Any vehicle manufactured as an even model year vehicle must be inspected in each even calendar year and any vehicle manufactured as an odd model year vehicle must be inspected in each odd calendar year for registration renewal.

Safety inspections must be performed by authorized inspection stations regulated by the Missouri State Highway Patrol. An inspection must be performed at the seller's expense before the sale of a motor vehicle. The following types of vehicles are not required to be inspected for registration purposes:

- ♦ New motor vehicles (Manufacturer's Statement of Origin) purchased during the model year of the vehicle and the following year. For example: A 2003 vehicle is exempt during 2003 and 2004.
- ♦ Renewals for odd model year vehicles with a registration that expires in an even calendar year;

Rescinded Sales

- ♦ Renewals for even model year vehicles with a registration that expires in an odd calendar year;
- ♦ Motor vehicles engaged in interstate commerce and registered with the Missouri Motor Carrier Services;
- ♦ Historic motor vehicles;
- ♦ All trailers;
- ♦ Motor vehicles sold for junk, salvage, rebuilding including those sold in “**AS IS**” condition; and
- ♦ Motor vehicles sold from dealer to dealer or sold at public auction.

If the vehicle is purchased for junk, salvage, or rebuilding, the purchaser must give the seller an affidavit as prescribed by the Missouri State Highway Patrol. Any questions regarding this information should be directed to the local Missouri State Highway Patrol.

Section 144.071, RSMo permits a purchaser of a motor vehicle, trailer, vessel (watercraft), or outboard motor who rescinds the sale to receive a full refund of all state and local taxes paid on the purchase price of the unit. The purchaser must return the unit to the seller within 60 days of purchase and receive a refund of the purchase price. **Related titling, processing, and registration fees will not be refunded.** Legislation allows a vehicle owner to surrender the license plate(s) and receive credit for the time remaining towards the purchase of another license plate(s) regardless of the type of license (i.e., passenger, truck or trailer). To receive a refund of the applicable taxes, the purchaser must submit:

1. *A Motor Vehicle Refund Request Application* (DOR-426) completed and signed;
2. The original validated receipt of the application for title;
3. A statement, signed by the purchaser, which outlines the facts surrounding the rescinded sale, including the seller's name, purchase date, year, make, and identification number of the unit and the reason the sale was rescinded;

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4. A statement, signed by the seller, which states that the sale was rescinded. The statement must include the date the unit was returned, the reason the sale was rescinded, the amount of purchase price refunded to the purchaser, and whether the dealer or lienholder has possession of the Manufacturer's Statement of Origin or ownership document for the unit; and
 5. A descriptive notarized lien release from any lienholder shown. The statement must indicate the lienholder no longer has an interest in the unit and must include the purchaser's name and the year, make, and identification number of the unit.

NOTE: Each claim for a rescinded sale refund must be made within one year after the payment of the tax on which the refund is claimed.

When Seller Must Apply for Title on a Rescinded Sale

When a certificate of title is assigned to a purchaser and the sale is rescinded, the assigned certificate of title is considered mutilated.

Non-Dealer as Seller

If the seller is not a dealer, he or she must apply for a duplicate title. The seller who is not a dealer must submit the following:

- Application for duplicate title;
- The original assigned title;
- Statements signed by the purchaser, the seller, and if applicable, the lienholder acknowledging that the sale has been rescinded;
- Appropriate title fee; and
- Appropriate processing/agent fee.

Dealer as Seller

If a licensed dealer assigned a title to someone who later rescinds the sale, the dealer must apply for an original title. However, if the unit was sold on a Manufactured Statement of Origin (MSO), the dealer can reassign the MSO to the new purchaser. The dealer must submit:

- Application for original title;
- The original assigned title;

Consignment Sales

- Signed statements from the purchaser, seller, and if applicable, lienholder acknowledging the rescinded sale;
- Appropriate title fee; and
- Appropriate processing/agent fee.

Note: If a certificate of title has already been issued in the name of the purchaser who wants to rescind the sale, the purchaser must properly assign the title to the seller and provide the seller with the appropriate statements rescinding the sale. If the original seller is not a dealer, he or she must apply for title within 30 days to avoid a title penalty.

When a dealer sells any unit on consignment for an individual, they must adhere to one of the following procedures regarding transferring ownership, the usage of dealer plates/placards, and disclosing odometer information, if applicable.

1. The individual must assign the ownership document to the dealer. **The dealer can then demonstrate the unit using his or her dealer license plates/placard.** The dealer can assign the ownership document to the purchaser and make a proper odometer disclosure as in any other sale the dealer makes, if applicable.
2. The individual must provide the dealer a copy of the ownership document and written authorization to offer the unit for sale. **The dealer cannot use dealer license plates/placards on the unit. The dealer must use the owner's current registration that the department issued to the owner of the unit.** If an accident occurs, the owner of the unit, **not the dealer**, may be held financially responsible. When the actual sale takes place, the owner must assign the ownership document directly to the purchaser and provide an odometer disclosure, if applicable.
3. The individual must provide the ownership document and a completed odometer disclosure statement, if applicable, to the dealer. The individual should also provide a notarized power of attorney to the dealer, which authorizes the dealer to assign the ownership document and disclose the mileage to the purchaser on behalf of the seller. **The**

Information for Auctions/ Dealers Selling at Auctions

dealer cannot display dealer license plates/placards on the unit.

If an auctioneer is conducting business with both buyer and seller present, the seller must assign the title directly to the buyer. The seller must list the purchaser's name in the assignment area. The seller may not leave the purchaser's name blank, as this constitutes an open title. The seller must disclose the mileage to the buyer, except on an exempt vehicle. The auctioneer becomes a transferor (seller) if he or she buys a vehicle and later auctions it. As seller, the auctioneer must disclose the mileage. If the auctioneer is acting as consignee for a seller who is not present, the seller must execute a regular power of attorney authorizing the auctioneer to make the disclosure.

If a dealer brings a motor vehicle to an auction, but is not present at the time of sale, the following procedures must be followed:

1. If a title is involved, the seller should give the auction a power of attorney and the title document.
2. A representative of the auction should complete the title assignment on behalf of the seller when the vehicle is sold. The purchaser(s) must print and sign their name(s) in the designated area for odometer disclosure, if applicable.
3. In lieu of the seller completing the odometer disclosure statement, the auction may complete the statement on behalf of the seller, if the representative is authorized by a power of attorney. The representative of the auction must retain a copy of the statement for the seller. If the purchaser is not available to sign the *Odometer Disclosure Statement* (DOR-3019) and the ownership document, the representative may sign on behalf of the purchaser if authorized by a power of attorney. **The representative of the auction cannot sign as seller and purchaser for the same transaction.**

When reporting the sale on the dealer's monthly report, the dealer must list the actual purchaser not the auto auction.

Auctions - Records Required

Auction companies are required to record and maintain in their files for five years: the name(s) of the seller(s) and purchaser(s), the vehicle identification number, and the odometer reading on the date the auction took possession of the unit. If the auction sells more than five cars within a 12-month period as a transferor (seller) or transferee (purchaser), the auction must retain a copy of every odometer disclosure statement they issue and receive.